

**REMARKS**

Claims 1-53 are pending in the application. Claims 1-23 and 51-53 have been allowed. Claims 24-50 stand rejected in the referenced office action.

Claim 5 has been amended to address and antecedent problem.

Independent claim 24 has been amended to incorporate a limitation of claim 25 while a limitation of claim 24 has been moved to claim 25. Claim 24 has also been amended to insert a missing word.

Independent claim 28 has been amended to insert a missing word. Claim 28 has also been amended to clearly delineate the meaning of "system balance." Support for the amendment is found at page 21 lines 13-18.

Independent claim 40 has been amended to insert a missing word. Claim 40 has also been amended to clearly delineate the meaning of "system balance." Support for the amendment is found at page 21 lines 13-18.

Independent claim 45 has been amended to insert a missing word.

No new matter has been added by the amendments. The Examiner's objections and rejections are addressed in substantially the same order as in the referenced office action. Reconsideration of the application as amended is respectfully requested.

09/697,788

14

**REJECTIONS UNDER 35 U.S.C. § 103**

Claims 24, 26 and 27 stand rejected under 35 USC § 103(a) as being unpatentable over *McCormack* (US 6,002,642). Claim 24 is an independent claim.

Claim 24 has been amended to include the cost of produced hydrocarbons. This limitation was originally in claim 25. A search of *McCormack* shows no teaching of cost allocation in the secondary recovery operation discussed therein. A search of *Dutton* (US6318156), the secondary reference relied on by the Examiner, shows no teaching of cost allocation. The only mention of "cost" in *Dutton* is at col. 12, lines 64-65 and is not relevant to claim 24. There is no mention of cost allocation.

In order to sustain a rejection under 35 USC § 103, two requirements must be met. The first is that each limitation of the claimed invention must be disclosed in the references. Secondly, there must be a teaching in the references themselves to combine them to come up with the claimed invention.

The first requirement is clearly not met here as the prior art of record does not disclose or suggest the allocation of costs in a hydrocarbon gathering system.

Accordingly, applicant respectfully submits that claim 24 and claims 25-27 that depend upon claim 24 are patentable under 35 USC § 103 over *McCormack*, *Dutton* and the prior art of record.

09/697,788

15

Claims 25 and 28-50 stand rejected under 35 USC § 103 over *McCormack* in view of *Dutton*. The patentability of claim 25 has been addressed above in the discussion of the rejection of claim 24: there being no teaching or suggestion in *Dutton* of allocation of costs.

Claims 28, 40 and 45 are independent claims.

With respect to claim 28, the Examiner has asserted that "it would have been obvious to modify the method of *McCormack* to use automated measurement and control devices, as taught by *Dutton* et al. in order to reduce the costs and measurements errors that occur when manual labor is used." Applicant fails to see the relevance of this statement to the invention of claim 28. Claim 28 is not directed towards cost reduction or reduction of measurement errors.

As discussed in the application,

"Referring to Figure 7, the system balance may be described as balancing the volume (e.g., in millions of cubic feet or "MCF"), heating value (e.g., energy content), or component volumes of natural gas entering a gathering line 314 or processing plant 316 against the volume, heating value, or component volumes of natural gas leaving the gathering line 314 or facility 316." Page 21 lines 13-18

The "balance" discussed in *McCormack* is strictly limited to volumes injected into and recovered from a field. There is no teaching in *McCormack* of system balances with respect to gathering lines, processing plants and other components of a natural gas gathering system. There is no teaching or suggestion in *Dutton* of balancing.

In order to sustain a rejection under 35 USC § 103, two requirements must be met. The first is that each limitation of the claimed invention must be disclosed in the references. Secondly, there must be a teaching in the references themselves to combine them to come up with the claimed invention.

The first requirement is clearly not met here as the prior art of record does not disclose or suggest the system balancing in components of a hydrocarbon gathering system. Accordingly, applicant respectfully submits that claim 28 and claims 29-39 that depend upon claim 24 are patentable under 35 USC § 103 over *McCormack*, *Dutton* and the prior art of record.

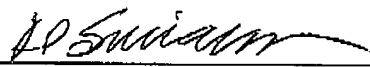
Claim 40 includes the substantive limitations of claim 28 discussed above. Accordingly, applicant respectfully submits that claim 40 and claims 41-44 that depend upon claim 40 are patentable under 35 USC § 103 over *McCormack* in view of *Dutton* for the same reasons that claim 28 is patentable under 35 USC § 103 over *McCormack* in view of *Dutton*.

Claim 45 includes recalculation of the composition of hydrocarbons. There is no teaching of composition in *McCormack*. The only mention in *Dutton* of "composition" is in the background of the invention at col. 2 lines 24-29. There is no teaching of calculating the composition of hydrocarbons in a hydrocarbon gathering system. Accordingly, applicant respectfully submits that claim 45 and claims 46-49 that depend upon claim 45 are patentable under 35 USC § 103 over *McCormack* in view of *Dutton*.

No fee is believed to be due for these amendments and attached documents. The Commissioner is authorized to charge any fee due for the amendments herein and to charge any deficiency to Deposit Account No. 13-0010 (CON-1029)

Respectfully submitted,

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